



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 telephone

(801) 359-3940 fax

(801) 538-7223 TTY

www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

FACSIMILE COVER SHEET

DATE: April 8 2003

NUMBER OF PAGES INCLUDING THIS COVER SHEET: 4

TO: Jana Walters
U S Evans Bank
Burley Id 83318

FAX NUMBER: 1-208-678-6898

FROM: Joelle Burns

Minerals Reclamation and Development Program

PHONE: (801) 538-5291

FAX: (801) 359-3940

SUBJECT: Signed CD Cover Letter - Lone Pine Mine
Site - M/003/050

REMARKS: Jana- here is the signed CD Cover
letter faxed per your 3/28/03 letter.
Please forward the original CD for
our files.

Thank you for all your help in getting
these C.D's set up-

Joelle

Should you encounter any problems with this copy or do not receive all the pages, please call.

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FAX NUMBER: 1-208-678-6898

FROM: Joelle Burns
Minerals Reclamation and Development Program

PHONE: (801) 538-5291

FAX: (801) 359-3940

SUBJECT: Signed C.D Cover Letter - Lone Pine Mine
Site - M/003/050

REMARKS: Jana- here is the signed C.D Cover
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TRANSACTION REPORT

P. 01

APR-08-2003 TUE 11:33 AM

FOR: OIL, GAS & MINING

801 359 3940

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
APR-08	11:31 AM	12086786898	1'17"	4	SEND	OK	679	

TOTAL : 1M 17S PAGES: 4



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TO:

Jana Walters
W & Evans Bank
Burley Id 83318FAX NUMBER: 1-208-678-6898

FROM:

Juella BurnsMinerals Reclamation and Development ProgramPHONE: (801) 538-5291FAX: (801) 359-3940

m/003/050



Attention: Diane Barger, Loan Officer.

Re: Reclamation Surety, Certificate of Deposit of Lone Pine Mine Site, M/003/050,
Box Elder County, Utah. Certificate of Deposit no. 1 Principal Amount
\$22,500.00

This letter describes the mutually agreed upon instructions of the below signed parties to D.L. Evans Bank, regarding the control redemption, and release of Bank's above described certificate of deposit (CD), which is being used as a surety to guarantee the availability of reclamation funds for the lone Pine Mine Site, Box Elder County, Utah (Mine Site). It is the intention of the parties that the CD be utilized as surety to guarantee that \$22,500.00 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining (Division) upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with state law and regulations (Title 40-8-14 (7), and Rules R647-4-114 & R647-5-101).

Ownership and Renewal:

Ownership of the CD is retained by Gold Star Stone, Inc. and Idaho Corporation, ("Owners"), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released the the Director of the Division.

Redemption:

The CD may only be redeemed (i.e. called on demand), pursuant to the written instruction or demand of the Director of the Utah Division of Oil, Gas & Mining to the Bank. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas & Mining. Owners agree and irrevocably instruct that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the director of the division may redeem the CD.

Release:

The bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successor-in-interest.

Accrued Interest:

Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$22,500.00. All tax liabilities for accrued interest shall remain the responsibility of the Owners.

Bank will not be held liable for any dispute between the parties.

Agreed Upon BY:

Lowell P Braxton Date: 7/8/03
Lowell P Braxton, Director
Utah Division of Oil, Gas & Mining

Gold Star Stone Inc. by Barry Petersen Date: 3/28/03
Gold Star Stone, Inc.
By Barry Petersen, President
Tax ID Number: _____

Diane Barger Date: 3-27-03
Diane Barger, Loan Officer



March 28, 2003

State of Utah
Dept. of Natural Resources
Division of Oil, Gas & Mining

Att: Joelle

Dear Joelle:

Please find the enclosed letter for the certificate of deposit for Gold Star Stone, Inc. It has been signed by Barry Petersen and Diane Barger. Please have Mr. Braxton sign it where I have marked, and then you can fax a copy here. Upon receipt of the signed copy, I can then send you the original certificate. The fax number is 208-678-6898.

If there is anything else we need to do, or if you have any questions, please feel free to call me.

Thank you,


Jana Waters

Financial Services Representative

Enclosure

RECEIVED

APR 01 2003

DIV. OF OIL, GAS & MINING